VZCZCXRO7244 RR RUEHHM DE RUEHKO #3420 3510904 ZNR UUUUU ZZH R 160904Z DEC 08 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC 9493 INFO RUEHBJ/AMEMBASSY BEIJING 6861 RUEHBY/AMEMBASSY CANBERRA 2935 RUEHHI/AMEMBASSY HANOI 1109 RUEHUL/AMEMBASSY SEOUL 2862 RUEHGP/AMEMBASSY SINGAPORE 7291 RUEHHM/AMCONSUL HO CHI MINH CITY 0129 RUEHHK/AMCONSUL HONG KONG 6655 RUEHIN/AIT TAIPEI 7208 RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC RUCPDOC/DEPT OF COMMERCE WASHINGTON DC

UNCLAS TOKYO 003420

SENSITIVE SIPDIS

H FOR CODEL BOSWELL STATE PASS USTR FOR AUSTR CUTLER, MBEEMAN, EHOLLOWAY, JDOHERTY, AND RMEYER USDA FOR DUS TERPSTRA, USDA/FAS SHALE, USDA/FAS DBERMAN

E.O. 12958: N/A

TAGS: <u>EAGR</u> <u>ETRD</u> <u>ECON</u> <u>PREL</u> <u>JA</u>

SUBJECT: CODEL BOSWELL: DIET MEMBERS POINT FINGER AT U.S.

FOR NO PROGRESS ON U.S. BEEF

REF: TOKYO 3338

- 11. (SBU) During a December 13 roundtable discussion, Japanese Diet members suggested to Codel Boswell that it is the USG that is responsible for a lack of progress to lift Japan's partial ban on imports of U.S. beef and beef products. Yoshio Yatsu, Chairman of the Liberal Democratic Party's (LDP) General Agricultural Policy Council and former Agriculture Minister, said the GOJ has proposed previously that it might consider somewhat relaxing restrictions on U.S. beef to possibly allow cuts of beef from animals up to 30-months of age (compared to 20-months under the current technical agreement). However, the USG's position that market access for U.S. beef be based on World Organization for Animal Health (OIE) standards has resulted in a stalemate, asserted Diet member and former Agriculture Minister Masatoshi Wakabayashi. The GOJ is unable to move the beef issue on to Japan's Food Safety Commission (FSC) for further deliberation until after the bilateral Technical Working Group established to explore ways to fully reopen Japan's market to U.S. beef and beef products finalizes its report from meetings held in 2007, he said. (Note: USDA notified the GOJ on October 16, 2008 that it considers the Technical Working Group process to have concluded. note.)
- 12. (SBU) Wakabayashi claimed Japan's offer of 30-months is "very reasonable." Yatsu pointed to the strong reaction and street demonstrations by Koreans protesting Seoul's deal with Washington to allow no age restrictions on U.S. beef imports as an unacceptable outcome for Japan. We must proceed incrementally and on the basis of additional study and information to assuage Japanese consumers' concerns, Yatsu advised. Codel Boswell urged the GOJ to work expeditiously with the USG to resolve the U.S. beef issue.
- 13. (SBU) Note: Japanese officials have suggested in the past that we accept a 30-month age limit on U.S. beef exports to Japan. The former Agriculture Ministers' comments made no mention of how the two sides would get to all ages, all cuts, by a date certain. In our ongoing dialogue with the GOJ on U.S. beef, including discussions between the President and then Prime Minister Fukuda at the July 2008 G8 Summit in Toyako, we have maintained that Japan's regulation of U.S. beef imports should be science-based and consistent with OIE

guidelines. In May 2007, the OIE designated the U.S. as a controlled-risk country for Bovine Spongiform Encelphalopathy (BSE). OIE guidelines indicate all beef and beef products from controlled-risk countries may be imported provided certain tissues are removed prior to export -- i.e., specified risk materals or SRMs. End note.

- 14. (U) Chairman of the House Subcommittee on Livestock, Dairy, and Poultry Leonard Boswell (D-IA), accompanied by House Agriculture Committee colleagues Robert Goodlatte (R-VA), Henry Cuellar (D-TX), Adrian Smith (R-NE), and Steve King (R-IA), visited Japan December 13-15 to raise agriculture-related issues. In addition to their roundtable discussion with members of Japan's parliament, they also met with the American Chamber of Commerce in Japan, visited a Wagyu Beef farm in Tochigi Province, and the first national retail outlet to resume sales of U.S. beef after Japan partially lifted its ban on imports in July 2007. The delegation's discussions with Diet members on WTO-related modalities for agriculture and Japan's food security concerns reported septel.
- 15. (U) Codel Boswell did not have an opportunity to clear this message before departure from Post. SCHIEFFER